

On-Site Systems, Inc.
7638 River Road Pike
Nashville, TN 37209
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REC'D TN
REGULATORY AUTH.
1999 OCT 14 PM 2 20
C. J. WADDELL
EXECUTIVE SECRETARY

October 13, 1999

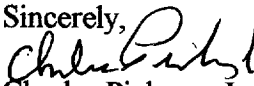
Mr. David Waddell
Executive Secretary
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243-0505

Re: Docket (NO. 99-00393) Tariff for On-Site Systems, Inc.

Dear Mr. Waddell:

In reviewing our petition to change rate structure and increase fees, it was discovered that rather than being subject to property taxes for land owned, we are subject to paying a Public Utility Ad Valorem property tax on land and plant. As a result of this discovery, we have replaced Exhibit 11 (Property Taxes) with Exhibit 11 (Public Utility Ad Valorem Taxes). In addition, the change in tax structure has effected the Residential Sewer Rate sheets that were submitted. The revised sheets that replace those previously submitted are attached.

If you have any questions, please give me a call.

Sincerely,

Charles Pickney, Jr.

FILE

On- Site Systems, Inc.
Sewer Service Billing Structure
Oakwood Subdivision
Maury Co.
Residential Sewer Rate

	<u>Monthly Charge</u>	<u>Amount to be Escrowed</u>	<u>Reference Exhibit</u>
Collection System Maintenance and operation	\$8.95	\$6.35	1
Treatment system costs - for Sand - Gravel Filter System	\$6.23	\$2.90	2
Utility costs - Sand - Gravel Filter treatment & Pump station	\$1.30	0	3
Disposal system costs - using drip irrigation	\$1.53	\$0.88	4
Sampling and Testing costs - Required by State of Tennessee	\$7.00	0	5
Billing and collection costs	\$1.50	0	6
Miscellaneous Costs	\$0.40	0	7
State of Tennessee Department of Environment Annual Fee	\$0.52	0	8
Bonding costs - Required by Maury County	\$1.56	0	9
Franchise - Excise Taxes - Utility Company	\$0.82	0	10
Public Utility Ad Valorum Tax	\$0.95	0	11
Federal Taxes	\$1.11	0	12
Local management fee	\$2.00	0	13
Corporate management fee	\$2.80	0	14
Total	\$36.67	\$10.13	

Fees: Non payment- 5%, Disconnection- \$10, Reconnection- \$15, Returned Ck - \$20, Access - \$84/yr
(See Rules and Regulations for explanation)

Commercial Sewer Rate

No commercial customers are anticipated on this system

Effective _____

FILE

**On-Site Systems, Inc.
Sewer Service Billing Structure
Southridge Subdivision
Montgomery Co.**

	<u>Monthly Charge</u>	<u>Amount to be Escrowed</u>	<u>Reference Exhibit</u>
Collection System Maintenance and operation	\$8.95	\$6.35	1
Treatment and disposal - by the city of Clarksville - pass through of actual costs	actual costs	0	15
Utility costs - Pumping Station and Metering Station	\$0.85	0	3
Sampling and Testing costs - Required by State of Tennessee	\$0.00	0	
Billing and collection costs	\$1.50	0	6
Miscellaneous costs	\$0.40	0	7
State of Tennessee Department of Environment Annual Fee	\$0.00	0	
Bonding costs - Required by Montgomery County	\$0.00	0	
Franchise - Excise Taxes - Utility Company	\$0.82	0	10
Public Utility Ad Valorem Tax	\$0.95	0	
Federal Taxes	\$1.11	0	12
Local management fee	\$2.00	0	13
Corporate management fee	\$2.80	0	14
	<hr/>	<hr/>	
Total	\$19.38 + act cost	\$6.35	

Fees: Non payment - 5%, Disconnection - \$10, Reconnection - \$15, Returned Ck- \$20 Access - \$84/yr
(See Rules and Regulations for explanation)

Commercial Sewer Rate

\$25.00 + pass through of actual treatment and disposal costs

Effective _____

FILE

On-Site Systems, Inc.
Sewer Service Billing Structure
Swan Harbor
Roane County
Residential Sewer Rate

	<u>Monthly Charge</u>	<u>Amount to be Escrowed</u>	<u>Reference Exhibit</u>
Collection System Maintenance and operation	\$8.95	\$6.35	1
Treatment system costs - for Sand - Gravel Filter System	\$6.23	\$2.90	2
Utility costs - Sand - Gravel Filter treatment & Pump station	\$1.30	0	3
Disposal system costs - using drip irrigation	\$1.53	\$0.88	4
Sampling and Testing costs - Required by State of Tennessee	\$7.00	0	5
Billing and collection costs	\$1.50	0	6
Miscellaneous Costs	\$0.40	0	7
State of Tennessee Department of Environment Annual Fee	\$0.52	0	8
Bonding costs - Required by Roane County	\$0.00	0	
Franchise - Excise Taxes - Utility Company	\$0.82	0	10
Public Utility Ad Valorum Tax	\$0.95	0	11
Federal Taxes	\$1.11	0	12
Local management fee	\$2.00	0	13
Corporate management fee	\$2.80	0	14
Total	\$35.11	\$10.13	

Fees: Non payment- 5%, Disconnection- \$10, Reconnection-\$15, Returned Ck - \$20, Access - \$84/yr
(See Rules and Regulations for explanation)

Commercial Sewer Rate

Commercial rates will be based on waste strength, system components and gallons of flow -unknown at this time

Effective _____

FILE

On-Site Systems, Inc.
Sewer Service Billing Structure
River Road Utility District
Cheatham County
Residential Sewer Rate

	<u>Monthly Charge</u>	<u>Amount to be Escrowed</u>	<u>Reference Exhibit</u>
Collection System Maintenance and operation	\$8.95	\$6.35	1
Treatment system costs -for Lagoon System	\$2.60	\$1.20	2
Utility costs - Lagoon treatment	\$0.30	0	3
Disposal system costs - point discharge	\$0.00	0	4
Sampling and Testing costs - Required by State of Tennessee	\$9.20	0	5
Billing and collection costs	\$1.50	0	6
Miscellaneous Costs	\$0.40	0	7
State of Tennessee Department of Environment Annual Fee	\$0.52	0	8
Bonding costs - Required by Cheatham County	\$0.00	0	9
Franchise - Excise Taxes - Utility Company	\$0.82	0	10
Public Utility Ad Valorem Tax	\$0.95	0	11
Federal Taxes	\$1.11	0	12
Local management fee	\$2.00	0	13
Corporate management fee	\$2.80	0	14
Total	\$31.15	\$7.55	

Fees: Non payment- 5%, Disconnection- \$10, Reconnection-\$15, Returned Ck - \$20, Access - \$84/yr
(See Rules and Regulations for explanation)

Commercial Sewer Rate

Commercial rates will be based on waste strength, system components and gallons of flow -unknown at this time

Effective _____

FILE

On-Site Systems, Inc.
Sewer Service Billing Structure
Milcrofton Utility District
Williamson Co.
Residential Sewer Rate

	<u>Monthly Charge</u>	<u>Amount to be Escrowed</u>	<u>Reference Exhibit</u>
Collection System Maintenance and operation	\$8.95	\$6.35	1
Treatment system costs - for Sand - Gravel Filter System	\$6.23	\$2.90	2
Utility costs -Sand -Gravel Filter Filter treatment & Pump station	\$1.30	0	3
Disposal system costs - using drip irrigation	\$1.53	\$0.88	4
Sampling and Testing costs - Required by State of Tennessee	\$7.00	0	6
Billing and collection costs	\$1.50	0	7
Miscellaneous Costs	\$0.40	0	8
State of Tennessee Department of Environment Annual Fee	\$0.52	0	9
Bonding costs - Required by Williamson County	\$2.10	0	10
Franchise - Excise Taxes - Utility Company	\$0.82	0	11
Public Utility Ad Valorem Tax	\$0.95	0	12
Federal Taxes	\$1.11	0	13
Local management fee	\$2.00	0	14
Corporate management fee	\$2.80	0	15
Total	\$37.21	\$10.13	

Fees: Non payment- 5%, Disconnection- \$10, Reconnection-\$15, Returned Ck - \$20, Access - \$84/yr
(See Rules and Regulations for explanation)

Commercial Sewer Rate

Commercial rates will be based on waste strength, system components and gallons of flow -unknown at this time

Effective _____

FILE

On-Site Systems, Inc.
Sewer Service Billing Structure
Tall Oaks Subdivision
Blount County
Residential Sewer Rate

	<u>Monthly Charge</u>	<u>Amount to be Escrowed</u>	<u>Reference Exhibit</u>
Collection System Maintenance and operation	\$8.95	\$6.35	1
Treatment system costs - for Sand - Gravel Filter System	\$6.23	\$2.90	2
Utility costs - Sand - Gravel Filter treatment & Pump station	\$1.30	0	3
Disposal system costs - using drip irrigation	\$1.53	\$0.88	4
Sampling and Testing costs - Required by State of Tennessee	\$7.00	0	5
Billing and collection costs	\$1.50	0	6
Miscellaneous Costs	\$0.40	0	7
State of Tennessee Department of Environment Annual Fee	\$0.52	0	8
Bonding costs - Required by Blount County	\$0.00	0	
Franchise - Excise Taxes - Utility Company	\$0.82	0	10
Public Utility Ad Valorem Tax	\$0.95	0	11
Federal Taxes	\$1.11	0	12
Local management fee	\$2.00	0	13
Corporate management fee	\$2.80	0	14
Total	\$35.11	\$10.13	

Fees: Non payment- 5%, Disconnection- \$10, Reconnection-\$15, Returned Ck - \$20, Access - \$84/yr
(See Rules and Regulations for explanation)

Commercial Sewer Rate

No commercial customers are anticipated on this system

Effective _____

FILE

On-Site Systems, Inc.
Sewer Service Billing Structure
Yoakum Hollow Development
Campbell County
Residential Sewer Rate

	<u>Monthly Charge</u>	<u>Amount to be Escrowed</u>	<u>Reference Exhibit</u>
Collection System Maintenance and operation	\$8.95	\$6.35	1
Treatment system costs - for Sand - Gravel Filter System	\$6.23	\$2.90	2
Utility costs - Sand - Gravel Filter treatment & Pump station	\$1.30	0	3
Disposal system costs - using drip irrigation	\$1.53	\$0.88	4
Sampling and Testing costs - Required by State of Tennessee	\$7.00	0	5
Billing and collection costs	\$1.50	0	6
Miscellaneous Costs	\$0.40	0	7
State of Tennessee Department of Environment Annual Fee	\$0.52	0	8
Bonding costs - Required by Campbell County	\$0.00	0	
Franchise - Excise Taxes - Utility Company	\$0.82	0	10
Public Utility Ad Valorem Tax	\$0.95	0	11
Federal Taxes	\$1.11	0	12
Local management fee	\$2.00	0	13
Corporate management fee	\$2.80	0	14
Total	\$35.11	\$10.13	

Fees: Non payment- 5%, Disconnection- \$10, Reconnection-\$15, Returned Ck - \$20, Access - \$84/yr
(See Rules and Regulations for explanation)

Commercial Sewer Rate

No commercial customers are anticipated on this system

Effective _____

FILE

On-Site Systems, Inc.
Sewer Service Billing Structure
Shreibman Development
Cannon County
Residential Sewer Rate

	<u>Monthly Charge</u>	<u>Amount to be Escrowed</u>	<u>Reference Exhibit</u>
Collection System Maintenance and operation	\$8.95	\$6.35	1
Treatment system costs - for Sand - Gravel Filter System	\$6.23	\$2.90	2
Utility costs - Sand - Gravel Filter treatment & Pump station	\$1.30	0	3
Disposal system costs - using drip irrigation	\$1.53	\$0.88	4
Sampling and Testing costs - Required by State of Tennessee	\$7.00	0	5
Billing and collection costs	\$1.50	0	6
Miscellaneous Costs	\$0.40	0	7
State of Tennessee Department of Environment Annual Fee	\$0.52	0	8
Bonding costs - Required by Cannon County	\$0.00	0	
Franchise - Excise Taxes - Utility Company	\$0.82	0	10
Public Utility Ad Valorem Tax	\$0.95	0	11
Federal Taxes	\$1.11	0	12
Local management fee	\$2.00	0	13
Corporate management fee	\$2.80	0	14
Total	\$35.11	\$10.13	

Fees: Non payment- 5%, Disconnection- \$10, Reconnection-\$15, Returned Ck - \$20, Access - \$84/yr
(See Rules and Regulations for explanation)

Commercial Sewer Rate

Commercial rates will be based on waste strength, system components and gallons of flow -unknown at this time

Effective _____

7-1-2000

**On-Site Systems, Inc.
Sewer Service Billing Structure
Cornerstone of Mitchell Creek
Overton County**

**Residential Sewer Rate
(See sheet 10A)**

	<u>Monthly Charge</u>	<u>Amount to be Escrowed</u>	<u>Reference Exhibit</u>
Collection System Maintenance and operation	\$8.95	\$6.35	1
Treatment system costs - for Sand - Gravel Filter System	\$6.23	\$2.90	2
Utility costs - Sand gravel treatment & Pump station	\$1.30	0	3
Disposal system costs - using drip irrigation	\$1.53	\$0.88	4
Sampling and Testing costs - Required by State of Tennessee	\$7.00	0	5
Billing and collection costs	\$1.50	0	6
Miscellaneous Costs	\$0.40	0	7
State of Tennessee Department of Environment Annual Fee	\$0.52	0	8
Bonding costs - Required by Overton County	\$0.00	0	
Franchise - Excise Taxes - Utility Company	\$0.82	0	10
Public Utility Ad Valorem Tax	\$0.95	0	11
Federal Taxes	\$1.11	0	12
Local management fee	\$2.00	0	13
Corporate management fee	\$2.80	0	14
Total	\$35.11	\$10.13	

Fees: Non payment- 5%, Disconnection- \$10, Reconnection-\$15, Returned Ck - \$20, Access - \$84/yr
(See Rules and Regulations for explanation)

Commercial Sewer Rate

Commercial rates will be based on waste strength, system components and gallons of flow -unknown at this time

Effective _____


J. B. Smith

Exhibit 11

On-Site Systems, Inc.

Public Utility Ad Valorem Property Taxes

	Average Monthly <u>Cost</u>	Amount to be <u>Escrowed</u>
Assuming an average of \$100,000 of plant and equipment per 40 home site and an average of \$20,000 of land		
Public Utility Ad Valorem taxes on \$120,000 of plant, equipment and land is calculated as follows:		
For contributed plant and equipment, the basis is calculated at 25% of value $.25 \times \$120,000 = \$30,000$		
Equalization factor is 55% - $.55 \times \$30,000 = \$16,500$		
Tax = $\$16,500 \times$ (local tax rate) local tax rates for our service areas are estimated to be 2.75%		
Tax = $\$16,500 \times .0275 = \454 per year or \$37.83 per month		
For an average of 40 homes - $\$37.83 / \text{mo} / 40 = .95 / \text{mo}$	0.95	0